IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF DELAWARE

ADOBE SYSTEMS INC., :

:

Plaintiff,

:

v. : Civil Action No. 00-743 JJF

:

MACROMEDIA, INC.,

:

Defendant. :

Mary B. Graham, and Rodger D. Smith, Esquire of MORRIS, NICHOLS, ARSHT, & TUNNELL, Wilmington, Delaware.
Of Counsel: Ian N. Feinberg, James Pooley, and M. Elizabeth Day, Esquire of GRAY CARY WARE & FREIDENRICH LLP, Palo Alto, California.

Attorneys for the Plaintiff.

William J. Wade, Esquire of RICHARDS, LAYTON & FINGER, Wilmington, Delaware.

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Attorneys for the Defendant.

MEMORANDUM OPINION

November 5, 2001 Wilmington, Delaware

FARNAN, District Judge.

The parties present two issues, the production of software source code and third party objections to discovery requests, that require resolution in order to enter a protective order in this case.

A. Production of Software Source Code

In reviewing the positions of plaintiff Abode Systems,

Inc. ("Abode") and Macromedia, Inc. ("Macromedia"), I have

focused on two phrases used by Adobe in its letter brief (D.I.

39) which I believe sum up this dispute. The phrases are:

"essentially unbreakable code"

and

"unnecessarily onerous"

Abode proposes to handle the Macromedia software source code exchange by use of key cryptography (essentially unbreakable code) while Macromedia proposes the exchange occur in printed form (unnecessarily onerous) because I find that due to the state of current technology Adobe is unable by encryption to unconditionally guarantee the protection of the Macromedia source code, the printed form suggested by Macromedia is the appropriate method for use and exchange of the software source code in this case. In reaching this conclusion, I am persuaded by two factors. First,

absolutely secure; and, second, Adobe's description of its proposed encryption method as "essentially unbreakable". I find that a standard of essentially unbreakable just isn't good enough in the circumstances of this case. Macromedia is asking for an absolute standard, and I have concluded that it is entitled to such a quarantee. Further, it is for this reason that I find that Macromedia's suggested printed form, although possibly somewhat burdensome, is not "unnecessarily onerous." As argued by Macromedia, the source codes of a software company such as Macromedia are of critical importance to its business and must be provided the highest form of protection a court can provide in the context of a particular case. Macromedia has not sought to prohibit access to the source codes for its products but only to protect them from intentional or inadvertent access by persons not a party to this litigation. Therefore, I conclude that the method proposed by Macromedia is not unreasonable or unduly burdensome and provides Adobe with the information it needs.

B. Third Party Objections to Discovery Requests

The second issue in dispute concerns discovery requests directed to a non-party involving confidentiality obligations owed by that non-party to another. Abode proposes that the objecting non-party seek a protective order rather than require the requesting party to pursue the requested discovery

by a motion to compel. Macromedia proposes that the non-party interpose an objection on the basis of an asserted confidentiality provision and then require the requesting party to file a motion to compel the discovery (D.I. 38).

In my view, the solution to this dispute is governed by Federal Rule of Civil Procedure 45(d)(2) and an interpretation of the words "to enable the demanding party to contest the claim." Rule 45(d)(2) requires a non-party who objects to a discovery request to respond to the request by describing the reasons for the non-party's objection to the request. In the present context, the non-party would assert the purported confidentiality provision as its reason for objecting. It is then up to the requesting party to move to challenge the confidentiality assertion, if it chooses to, by filing a motion to compel. See Katz v. Batavia Marine & Sporting Supplies, Inc., 984 F.2d 422 (Fed. Cir. 1993) (affirming the district court in requiring the requesting party to prove a need for requested documents after the non-party objected to the request and made a prima facie showing that discovery was burdensome). In essence, I treat an assertion of a confidentiality provision exactly as Rule 45(d)(2) treats a claim of privilege when asserted by a non-party in response to a party's discovery request. I see no reason to craft onto Rule 45 a separate protective order procedure, as suggested by Adobe, since it seems clear to me that the drafters of Rule 45 have already addressed the issue.

Therefore, for the reasons discussed, I conclude that Adobe's Motion For Confidentiality Order (D.I.39) in the form proposed by Macromedia (D.I.83) is appropriate. Furthermore, any third party who objects to a discovery request shall enter an objection and state their reasons. If the requesting party wants to pursue the discovery, it must do so by filing a motion to compel.

An appropriate Order will be entered.

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O R D E R

At Wilmington, Delaware this 5 day of November 2001, for the reasons discussed in the Memorandum Opinion issued this day, IT IS HEREBY ORDERED that:

- (2) The parties shall submit a Stipulated Protective
 Order consistent with this Memorandum Opinion no
 later than November 9, 2001.

<u>JOSEPH J. FARNAN, JR.</u>
UNITED STATES DISTRICT JUDGE